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March 13, 2007

AGENDA ITEM #

**TO: MEMBERS OF THE BENEFITS AND PROGRAM ADMINISTRATION
COMMITTEE**

- I. SUBJECT:** Public Employee Post-Employment Benefits
Commission
- II. PROGRAM:** Member and Benefit Services Branch
- III. RECOMMENDATION:** This is an information item.
- IV. BACKGROUND:**

The Public Employee Post-Employment Benefits Commission was created by Executive Order S-25-06 on December 28, 2006. The purpose of the Commission is to propose ways for addressing growing pension and retiree health obligations.

By January 1, 2008, the Commission must send a report to the Governor and Legislature that will:

- Identify the full amount of post-employment health care and dental benefits for which California governments are liable and which remain unfunded.
- Evaluate and compare various approaches for addressing state and local governments' unfunded retirement health care and pension obligations.
- Propose a plan to address state and local governments' unfunded retirement health care and pension obligations.

The commission consists of twelve members, six appointed by the Governor, three appointed by the Speaker of the Assembly and three appointed by the Senate President proTem. On February 20, 2007, the Governor and legislative leaders announced the appointment of commission members.

The Governor's appointees are:

- Gerald Parsky (Chairman of the Commission), chairman of the Aurora Capital Group, a Los Angeles-based investment firm.
- Matthew Barger, senior advisor at the private equity investment firm Hellman & Friedman LLC.
- Paul Cappitelli, a member of the San Bernardino County Sheriff's Department since 1978, currently serving as commander of the West Valley Detention Center.
- John Cogan, senior fellow at the Hoover Institution and a professor of public policy at Stanford University.
- Connie Conway, vice-chair of the Tulare County Board of Supervisors.
- Curt Pringle, Mayor of the City of Anaheim and president of Curt Pringle & Associates. He previously served in the California State Assembly and was Speaker in 1996.

The legislature appointed the following members to the commission:

- Ronald Cottingham, President of the Peace Officers Research Association of California and a lieutenant with the San Diego County Sheriff's Department.
- Theresa Ghilarducci, a national expert on employee pensions, trustee on General Motors Retiree Health Fund and a past presidential appointee to the advisory board of the Pension Guaranty Corp. She is a Professor of Economics and Policy Studies at the University of Notre Dame and is the director of Notre Dame's Higgins Labor Center.
- Jim Hard, president of California's largest union of public employees, Service Employees' International Union Local 1000.
- Leonard Lee Lipps, public school teacher and regional manager of the California Teacher's Association.

- Dave Low, assistant director of Governmental Relations for the California School Employees Association. Low is a member of the Committee of Bar Examiners of the State Bar of California.
- Robert Walton, retired in 2005 after 34 years in state government, including more than 30 years with the California Public Employee's Retirement System. Walton was a member of the Governmental Finance Officers Association and National Conference of Public Employee Retirement Systems.

The positions do not require Senate confirmation, and the commission members will not receive a salary.

The first meeting of the commission is scheduled for March 9, 2007. Monthly updates regarding commission activities will be provided to the Benefits and Program Administration Committee.

V. STRATEGIC PLAN:

This item is not a specific product of the Strategic Plan, but is part of Member and Benefit Services regular and ongoing workload.

VI. RESULTS/COSTS:

None.

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